

## Message Text

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PAGE 01 MADRID 08084 171506Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15  
SP-02 NSC-05 STR-07 TRSE-00 XMB-02 /067 W  
-----058462 180240Z /64

R 150820Z JUL 78  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 5358  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY PARIS

C O N F I D E N T I A L MADRID 08084

BRUSSELS ALSO FOR FAA  
PARIS ALSO FOR FAA

E.O. 11652:GDS  
TAGS:EAIR, FR, SP  
SUBJ:SPANISH PURCHASE OF AIR BUS

REF: A) MADRID 7403, B) PARIS 22118

1. SUMMARY: ON HEELS OF GISCARD VISIT TO SPAIN, IBERIA PRESIDENT PUBLICLY DENIED THAT DECISION TO PURCHASE AIRBUS WAS MOTIVATED BY POLITICS. ANOTHER HIGH IBERIA OFFICIAL INFORMED EMBASSY THAT AIRLINE'S TECHNICAL RESERVATIONS WERE OVER- RULED BECAUSE OF POLITICAL CONSIDERATIONS AND PRIOR COMMITMENTS, AND THAT THERE IS NOW NO DOUBT PURCHASE CONTRACT WILL BE FULFILLED. END SUMMARY.

2. SOON AFTER FRENCH PRESIDENT GISCARD'S DEPARTURE FROM SPAIN, IBERIA PRESIDENT PRADO Y COLON INFORMED THE LOCAL PRESS THAT DECISION TO PURCHASE FOUR AIR-  
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BUS A-300 B-4'S WITH AN OPTION FOR FOUR MORE AT A LATER DATE WAS MADE ON THE BASIS OF PURELY ECONOMIC AND TECHNICAL CONSIDERATIONS. ANNOUNCEMENT OF DECISION, HE ADDED, WAS OF COURSE TIMED TO COINCIDE WITH FRENCH PRESIDENT'S VISIT. ACCORDING TO PRADO, AIRBUSES WILL REPLACE DC-9'S WHICH WILL BE SOLD (PROBABLY TO AVIACO) DURING 1980-81, AND ARE CONSIDERED BY IBERIA TO BE

IDEAL FOR MEDIUM RANGE FLIGHTS TO THE CANARIES AND TO SCANDINAVIA.

3. IBERIA'S DIRECTOR OF CONTRACTS (CABALLERO) WHO HAS HANDLED ALL AIRBUS MATTERS, INFORMED EMBOFF IN CONFIDENCE THAT ON ECONOMIC AND TECHNICAL GROUNDS IBERIA WOULD STILL PREFER NOT TO TAKE ON AIRBUS, BUT THAT DECISION WAS MADE BECAUSE OF POLITICAL CONSIDERATIONS AND PRIOR COMMITMENTS. HE RECALLED THAT IBERIA HAD ORIGINALLY SIGNED CONTRACT FOR AIRBUS PURCHASE IN 1972 AND HAD DEPOSITED 1 BILLION PESETAS TO GUARANTEE PURCHASE. SOON THEREAFTER, WHEN IBERIA JOINED EUROPEAN AIRLINE ATLAS GROUP FOR SHARED SERVICING OF BOEING AIRCRAFT, IBERIA CONFIRMED ITS COMMITMENT TO AIRBUS PURCHASE. WITH ECONOMIC SLOWDOWN OF 1973-74, IBERIA REQUESTED POSTPONEMENT OR CANCELLATION OF CONTRACT, BUT MATTER HAD BEEN LEFT IN LIMBO WITH 1 BILLION PESETA DEPOSIT ACCUMULATING INTEREST. CABALLERO SAID THAT IN FACE OF FRENCH PRESIDENT'S VISIT, TECHNICAL CONSIDERATIONS WERE OVERRULED, AND HE HAS NO DOUBT PURCHASE WILL PROCEED AS CONTRACTED. HE CLAIMED THAT IBERIA IS STUDYING NEW A-300-10 BUT HAS MADE NO PURCHASE COMMITMENT. TODMAN

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** 78 MADRID 7403, 78 PARIS 22118  
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**Review Markings:**  
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